

PA 22-43—sSB 256

Public Safety and Security Committee
Judiciary Committee

ACT CONCERNING CATALYTIC CONVERTERS

SUMMARY: This act makes several changes concerning the receipt and sale of catalytic converters. These changes affect motor vehicle recyclers, scrap metal processors, junk dealers, junk yard owners and operators, and motor vehicle repair shops.

For motor vehicle recyclers, the act generally prohibits them from (1) receiving a catalytic converter unless it is attached to a vehicle and (2) selling or transferring a converter unless they affix or write a stock number onto it.

For scrap metal processors, junk dealers, and junk yard owners and operators (collectively, "salvagers"), the act establishes several recordkeeping requirements and other conditions for receiving an unattached catalytic converter. Among other things, it prohibits anyone other than a motor vehicle recycler or motor vehicle repair shop from selling more than one unattached converter to a salvager in a day.

Lastly, the act makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2022

§ 1 — RESTRICTIONS ON MOTOR VEHICLE RECYCLERS

The act eliminates a prior law that (1) prohibited motor vehicle recyclers from receiving a vehicle's catalytic converter unless the seller provided proof that he or she owned the vehicle or was the owner's authorized agent and (2) required recyclers to keep copies of the proof with their records. It instead (1) requires recyclers to keep copies of the written record they must create under the act (see below) and (2) prohibits recyclers from receiving a vehicle's catalytic converter unless it is attached to a vehicle and received in compliance with existing state law. By law, recyclers cannot receive a vehicle unless they concurrently receive (1) the vehicle's title certificate, if it must have title, or (2) a copy of the vehicle's title certificate made by an insurance company under state law.

Additionally, the act prohibits motor vehicle recyclers from selling or transferring a catalytic converter unless the recycler does the following:

- 1. detaches the converter from a vehicle that was received in compliance with the above law;
- 2. affixes or writes a stock number onto the converter;
- 3. creates a written record that includes the (a) recycler's name, address, telephone number, and license number and (b) converter's corresponding vehicle identification number (VIN) and stock number; and
- 4. keeps one copy of the record and gives another copy to the purchaser or transferee.

The act provides the same penalties for violations of the act's provisions that apply to violations of existing law described above. The motor vehicles commissioner may, after notice and hearing, impose a civil penalty of \$100 to \$500 for each violation. She may also suspend the recycler's license (see CGS § 14-67p). In addition, violations of motor vehicle recycler laws are punishable as class C misdemeanors (see <u>Table on Penalties</u>) (CGS § 14-67v).

§ 2 — RESTRICTIONS FOR SALVAGERS

Receipt of Unattached Catalytic Converters by Salvagers

The act prohibits salvagers from receiving a catalytic converter unattached from a vehicle from anyone other than a motor vehicle recycler or motor vehicle repair shop unless they concurrently do the following:

- 1. record the place and date of the transaction, a description of the converter (including item type and any identification number), and the amount paid for the converter;
- 2. record (a) a description of the seller and the seller's name, residence address, and driver's license or identity card number or (b) if the seller is a business, its name, address, and telephone number;
- 3. record the license plate of the vehicle used to transport the converter;
- 4. obtain a statement from the seller (a) that the seller is the converter's owner or (b) identifying the name of the person from whom the seller obtained the converter as shown on a signed transfer document; and
- 5. take a clear photograph or video of the seller, the seller's driver's license or identity card, and the converter.

In the case of motor vehicle recyclers, the act prohibits salvagers from receiving an unattached catalytic converter from them unless the following occurs:

- 1. the recycler has affixed or written a stock number on the converter and
- 2. at the time of receipt, they (a) receive a written statement on the recycler's letterhead that includes the converter's stock number and the corresponding VIN number for the vehicle from which it was detached and (b) take a clear photograph or video of the recycler's employee who is transferring the converter and the employee's driver's license or identity card.

In the case of motor vehicle repair shops, the act prohibits salvagers from receiving an unattached catalytic converter from them unless the following occurs:

- the repair shop has (a) removed the converter from a vehicle it serviced and
 (b) affixed or written a stock number on the converter and
- 2. at the time of receipt, they (a) receive a written statement on the repair shop's letterhead that includes the converter's stock number, information on the vehicle from which the converter was detached (including its VIN and registration number), and a receipt for the services performed on the vehicle and (b) take a clear photograph or video of the repair shop's employee who is transferring the converter and the employee's driver's license or identity card.

If a transaction with a recycler or repair shop involves more than one converter,

the act allows for a single written statement.

Sale of Unattached Catalytic Converters to and by Salvagers

The act prohibits anyone other than a motor vehicle recycler or motor vehicle repair shop from selling more than one unattached catalytic converter to a salvager in a day.

Under the act, salvagers may only pay a seller of an unattached catalytic converter by check. If the seller is a motor vehicle recycler or motor vehicle repair shop, the check must be payable to the recycler or repair shop. For all other sellers, the salvagers must either (1) send the check to the address provided by the seller at the time of receipt or (2) hold it at their place of business for collection by the seller at least three business days after the converter's purchase date.

The act restricts salvagers to only selling catalytic converters that they receive in compliance with the act's requirements. But it allows them to sell these converters without a daily limit.

The act requires them to submit to the Department of Emergency Services and Public Protection (DESPP) sworn statements of their catalytic converter transactions that (1) describe the property received; (2) set forth the nature and terms of each transaction; and (3) identify the seller's name, description, and residence address or, in the case of motor vehicle recyclers and motor vehicle repair shops, the recycler's or repair shop's name and address.

The act gives the DESPP commissioner discretion to require that these statements be submitted on a weekly basis or more often after considering the volume and nature of a processor's or dealer's business. The statements must be in an electronic format the commissioner sets; however, he may grant an exemption to this requirement if good cause is shown. The commissioner must include the submitted information in any database storing information on pawnbroker transactions.

Regulations and Penalties

The act requires the motor vehicles commissioner to adopt regulations on creating and keeping documents and other records required by the act. It also requires those documents and records to be open for inspection by law enforcement officials upon request during normal business hours.

Under existing law, it is a class C misdemeanor for anyone engaged in the business of a junk dealer to violate the junk dealer laws (CGS § 21-13). This also applies to violations of the act.

BACKGROUND

Definitions

By law, a "motor vehicle recycler" is any person, firm, or corporation engaged in the business of purchasing motor vehicles to dismantle them for parts or use their

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metal for scrap (Conn. Agencies Regs. § 14-67q-1).

A "scrap metal processor" includes any place of business or deposit that (1) has facilities for preparing and processing iron, steel, and nonferrous metals into a form suitable for remelting by a foundry, steel mill, or other remelter; (2) does not buy or receive motor vehicles from any person, firm, or corporation other than a motor vehicle recycler license holder or certain exempt public agencies; and (3) does not sell automobile parts for reuse as parts (CGS § 14-67w).

A "junk dealer" is any person engaging in business as a dealer and trader in junk, old metals, scrap, rags, waste paper, or other secondhand articles that are no longer serviceable for their original manufactured purpose (CGS § 21-9).

A "junk yard" is any place in or on which old metal, glass, paper, cordage, or other waste, or discarded or secondhand material, which has not been a part or is not intended to be a part of any motor vehicle, is stored or deposited (CGS § 21-9).

A "motor vehicle repair shop" is a new or used car dealer, repairer, or limited repairer, as defined in the motor vehicle statutes, or their agents or employees (CGS § 14-65e).